GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:7531
ANSWERED ON:16.05.2002
RANDOM SCREENING OF ACCOUNTS FILED BY CORPORATES
A.F. GOLAM OSMANI

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Government have proposed a random screening of accounts filed by corporates with the Registrar of companies;

(b) if so, whether the existing system of checking accounts of a company are ineffective; and

(c) if so, the extent to which the random screening of accounts are going to check the various manipulations by Auditors?

Answer

MINISTER OF LAW, JUSTICE & COMPANY AFFAIRS (SHRI ARUN JAITLEY)

(a) to (c): A proposal is being considered that in the case of companies where there is a qualification in Auditor`s Report on the accounts, random scrutiny of Balance Sheet and Profit and Loss Account should be undertaken by Expert Group. This will send the right kind of message to the corporate sector.